PETER C. HARVEY
ATTORNEY GENERAL OF NEW JERSEY
Division of Law, 5th Floor
124 Halsey Street
P.O. Box 45029
Newark, New Jersey 07101

By:

Isabella Trifilio Stempler Deputy Attorney General (973) 648-2893

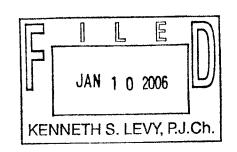
PETER C. HARVEY, Attorney General of the State of New Jersey, and FRANKLIN L. WIDMANN, Chief of the New Jersey Bureau of Securities,

Plaintiffs,

v.

CHAMBERLAIN WORLDWIDE, THE SERVICE GROUP, NICHOLAS MARINELLA and BARBARA MARINELLA,

Defendants.



SUPERIOR COURT OF NEW JERSEY CHANCERY DIVISION, ESSEX COUNTY Docket No. ESX-C-154-04

CIVIL ACTION

FINAL JUDGMENT AS TO DEFENDANTS CHAMBERLAIN WORLDWIDE,
THE SERVICE GROUP,
NICHOLAS MARINELLA, and
BARBARA MARINELLA

THIS MATTER having been opened to the Court by Peter C. Harvey, Attorney General State of New Jersey, and Franklin L. Widmann, Chief of the New Jersey Bureau of Securities, (Deputy Attorney General Isabella Trifilio Stempler appearing), pursuant to the Uniform Securities Law (1997), N.J.S.A. 49:3-47, et seq. ("Securities Law") seeking, among other things, permanent restraints pursuant to N.J.S.A. 49:3-69, restitution pursuant to N.J.S.A. 49:3-69, and civil monetary penalties pursuant to N.J.S.A. 49:3-70.1, and Nicholas Marinella and Barbara Marinella appearing pro se, and the Court having entered default against The Service Group and Chamberlain Worldwide on or about December 27,

2004 for failing to answer, move or otherwise respond plaintiffs' Verified Complaint, and the Court having entered partial summary judgment on liability against Nicholas Marinella and Barbara Marinella on July 7, 2005 finding, among other things, that: (1) Nicholas Marinella sold unregistered securities in violation of N.J.S.A. 49:3-60; (2) Nicholas Marinella acted as an agent of The Service Group and Chamberlain Worldwide in connection with an offer or sale of securities in, from or within New Jersey without registering in violation of N.J.S.A. 49:3-56(a); (3) Nicholas Marinella and Barbara Marinella engaged in fraudulent conduct in connection with the offer, sale or purchase of securities and omitted material facts and made materially false and misleading statements in violation of N.J.S.A. 49:3-52, and the Court having entered an Amended Order on September 15, 2005, permanently restraining and enjoining Nicholas Marinella and Barbara Marinella from violating the Securities Law, and for the reasons set forth on the record November 16, 2005, and for good cause shown.

IT IS on this 10 day of January, 200%
ORDERED and AGREED:

PERMANENT INJUNCTIVE RELIEF

 Defendant The Service Group, individually and by or through Nicholas Marinella, any corporation, business entity, agent, employee, partner, officer, director, attorney, stockholder, successor, and/or any other person who is directly or indirectly under its control or direction, is permanently restrained and enjoined from directly or indirectly violating the Securities Law and, specifically, from engaging in the following conduct:

- (i) offering for sale or selling, distributing, promoting, advertising, soliciting, negotiating, advancing the sale of and/or promoting unregistered securities in any manner to, from or within the State of New Jersey;
- (ii) issuing securities or engaging in any securities related activity that involves offering for sale or selling, distributing, promoting or advertising, soliciting, negotiating, advancing the sale of and/or promoting securities in any manner to, from or within the State of New Jersey;
- (iii) acting as an unregistered broker-dealer in the State of New Jersey in violation of N.J.S.A. 49:3-56(a);
- (iv) acting as an unregistered agent in the State of New Jersey in violation of N.J.S.A. 49:3-56(a);
- (v) employing unregistered agents in the State of New Jersey in violation of N.J.S.A. 49:3-56(h) and
- (vi) engaging in the conduct described in plaintiffs' Verified Complaint filed in the New Jersey Superior Court, Chancery Division, Essex County, <u>Harvey v. Chamberlain</u>

Worldwide et al., Docket No. ESX-C-154-04.

- Defendant Chamberlain Worldwide individually and by or through Barbara Marinella and/or Nicholas Marinella, any corporation, business entity, agent, employee, partner, officer, director, attorney, stockholder, successor, and/or any other person who is directly or indirectly under its control or direction, is permanently restrained and enjoined from directly or indirectly violating the Securities Law and, specifically, from engaging in the following conduct:
 - (i) offering for sale or selling, distributing, promoting, advertising, soliciting, negotiating, advancing the sale of and/or promoting unregistered securities in any manner to, from or within the State of New Jersey in violation of N.J.S.A. 49:3-60;
 - (ii) issuing securities or engaging in any securities related activity that involves offering for sale or selling, distributing, promoting or advertising, soliciting, negotiating, advancing the sale of and/or promoting securities in any manner to, from or within the State of New Jersey;
 - (iii) acting as an unregistered broker-dealer in the State of New Jersey in violation of N.J.S.A. 49:3-56(a);
 - (iv) acting as an unregistered agent in the State of New Jersey in violation of N.J.S.A. 49:3-56(a);

- (v) employing unregistered agents in the State of New Jersey in violation of N.J.S.A. 49:3-56(h) and
- (vi) engaging in the conduct described in plaintiffs' Verified Complaint filed in the New Jersey Superior Court, Chancery Division, Essex County, <u>Harvey v. Chamberlain</u> Worldwide et al., Docket No. ESX-C-154-04.

RESTITUTION

The Service Group

- 3. Defendants Nicholas Marinella and The Service Group shall be jointly and severally liable to make restitution to The Service Group investors in the amount of \$540,000.00.
- 4. Payment shall be made by certified check or other guaranteed funds, made payable to "Bureau of Securities, State of New Jersey" and delivered to the attention of the Bureau Chief, at the following address: State of New Jersey, Department of Law and Public Safety, Division of Consumer Affairs, Bureau of Securities, 153 Halsey Street, 6th Floor, Newark, New Jersey 07101.
- 5. Default shall deemed to occur if payment is not received by the Bureau within fifteen (15) days of entering this Final Judgment.
- 6. It is expressly understood that investors shall not be barred under the entire controversy doctrine or collaterally estopped from asserting any claims against defendants in

separate legal proceedings for principal and interest due from defendants subject to credits due from previously made payments.

Chamberlain Worldwide

- 7. Defendants Nicholas Marinella, Barbara Marinella and Chamberlain Worldwide shall be jointly and severally liable to make restitution to Chamberlain Worldwide investors in the amount of \$1,110,142.45.
- Payment shall be made by certified check or other guaranteed funds, made payable to "Bureau of Securities, State of New Jersey" and delivered to the attention of the Bureau Chief, at the following address: State of New Jersey, Department of Law and Public Safety, Division of Consumer Affairs, Bureau of Securities, 153 Halsey Street, 6th Floor, Newark, New Jersey 07101.
- 9. Default shall deemed to occur if payment is not received by the Bureau within fifteen (15) days of entering this Final Judgment.
- 10. It is expressly understood that investors shall not be barred under the entire controversy doctrine or collaterally estopped from asserting any claims against defendants in separate legal proceedings for principal and interest due from defendants.

CIVIL MONETARY PENALTIES

- 11. Defendants Chamberlain Worldwide, Nicholas Marinella and
 Barbara Marinella are hereby jointly and severally liable
 for a civil monetary penalty in the amount of \$2,220,284.90.
- 12. Defendants The Service Group and Nicholas Marinella are hereby are hereby jointly and severally liable for a civil monetary penalty in the amount of \$1,086,000.00.
- 13. Payment shall be made by certified check or other guaranteed funds, made payable to "Bureau of Securities, State of New Jersey" and delivered to the attention of the Bureau Chief, at the following address: State of New Jersey, Department of Law and Public Safety, Division of Consumer Affairs, Bureau of Securities, 153 Halsey Street, 6th Floor, Newark, New Jersey 07101.
- 14. Default shall deemed to occur if payment is not received by the Bureau within fifteen (15) days of entering this Final Judgment.

FINAL JUDGMENT

- 15. In summary, final judgment by default is entered against The Service Group and Nicholas Marinella in the amount of \$1,629,000.00, representing \$543,000.00 for restitution and a civil monetary penalty in the amount of \$1,086,000.00.
- 16. Final judgment by default is entered against Chamberlain Worldwide, Barbara Marinella and Nicholas Marinella in the

amount of \$3,330,427.35, representing \$1,110,142.45 for restitution and a civil monetary penalty in the amount of \$2,220,284.90.

17. This Court retains full jurisdiction to enforce any and all provisions of this Final Judgment.

Honorabie Kenneth S. Eevy, P.J.